

FISCAL NOTE

SB 721 - HB 1720

April 3, 2005

SUMMARY OF BILL: Limits the number of charter schools that can be created in a local education agency (LEA) as alternatives for schools failing to make adequate yearly progress to 10% of the total number of schools in the LEA; changes the application submission deadline from November 15 to October 1; and allows LEAs to retain 5% of the state and local funds allocated to charter schools for administrative costs imposed on the LEA.

ESTIMATED FISCAL IMPACT:

Decrease Local Govt. Expenditures – Exceeds \$400,000

Assumptions:

- Increasing the limit of charter of schools in an LEA would not affect state or local expenditures.
- Changing the application deadline from November 15 to October 1 would require revision of the current form, but the form is typically downloaded off the Department of Education website. Therefore, there would be no increase in costs involved.
- LEAs would be allowed to retain 5% of the state and local funds allocated per pupil, which in effect reduces charter schools funding, but it would not redirect federal funds. Currently, charter schools receive 100% of the state and local education funds of the per pupil expenditure of the LEA.
- Assuming a statewide average per pupil expenditure of \$6,200, 5% would approximate \$310 average decreased expenditure per pupil that would be retained by the LEA. The number of currently approved charter school students for FY04-05 is 1,501. Therefore, $1,501 \times \$310 = \$465,310$ statewide decrease of LEA expenditure for approved FY04-05 charter school students.
- The number of charter school students is expected to increase each year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director